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old draft

21 May 1957

State Department, OSD, FBI reviews completed. On file
FCC/Commerce release instructions apply.

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Proposed Amendment of the Communications
Act to provide Reciprocity

1. This memorandum is for briefing purposes for your Friday meeting, 24 May, with the President in accordance with the notice from Mr. Cutler.

2. The Communications Act of 1934 prohibits any alien from being granted a license to operate a radio station. This includes foreign governments or any representative thereof. The Department of State has proposed legislation to amend the Act empowering the President to authorize foreign governments to operate radio stations at their respective embassies or legations in Washington for transmission to specified points outside the United States. This authorization should be strictly conditioned as to power, compliance with FCC and other regulatory controls and would be based on the grant of substantial reciprocal privileges to the United States.

3. The departments and agencies having an interest in this proposed legislation are State, Defense, Justice, CIA, ODM, and FCC. The attached memorandum (TAB A) outlines the arguments which have heretofore been submitted by certain of these agencies.

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FAVORING RECIPROCITY

State - Strongly believes reciprocity is necessary to the establishment and maintenance of a permanent, dependable communications facility throughout the world. Believes also that the conditions provided would mean few, possibly 10 or 15, countries would actually install radio stations and that such installations would not present major problems in the matter of frequencies and other technical considerations.

CIA - Believes reciprocity is essential to the maintenance and development of its world-wide communications facility. Insofar as these facilities consist of stations actually operated abroad, they service both CIA and State and consequently constitute the same facility on which State is basing its argument. Experience has demonstrated time and again [REDACTED]

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[REDACTED] the importance of an established facility in time of emergency to the rapid and effective transmission of intelligence. The current volume from the Middle East is another demonstration of this requirement. We, too, believe few foreign countries would want to operate under the conditions provided and that there would be no net loss to the over-all U. S. intelligence collection process by the proposed provision for authorizing reciprocal rights.

FCC - Does not object to the proposal.

AGAINST RECIPROCITY

Justice - Reflecting views expressed by FBI. The Director of the FBI has expressed the view that the installation by foreign governments of radio stations in Washington would give them a potential for intelligence and counterintelligence operations and the use of such stations as a homing device, and would add considerably to internal security problems already facing our domestic intelligence agencies.

IIC - Reached similar conclusions to those of Justice in a letter from Mr. Hoover as Chairman of the IIC to the Chairman of ICIS.

POSITION ON RECIPROCITY NOT FINALLY ASCERTAINED

Defense - Raised several technical objections some of which appeared to overemphasize certain difficulties, particularly in the matter of frequencies, and others which apparently did not take into consideration the current existence of a network of U. S. stations in U. S. embassies abroad. Defense also claimed that radio transmissions from foreign embassies in Washington could during emergencies render ineffective the control of electro-magnetic radiations (CONELRAD). The most recent information is that Defense has been reconsidering its objections and while there is still a split of opinion the balance has been swinging towards favoring

reciprocity and may now be stated to be about equally for and against within the Department.

ODM - Official views have not been obtained from ODM but the Department of State believes that their decision would be favorable towards reciprocity.

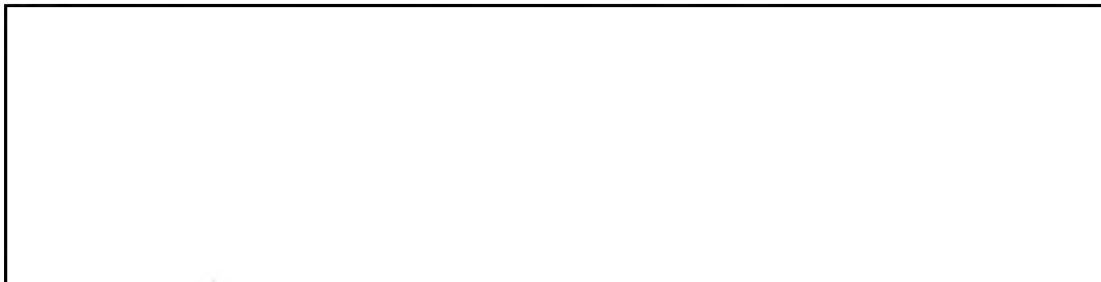
4. Discussion - When our Communications Office began discussions of reciprocity with the Department of State Communications they were almost alone in its support. FCC, which until fairly recently was strongly opposed to legislation for reciprocity, is now on the positive side. This was largely due to the fact that they originally misunderstood both the concept and many of the implications of reciprocity. Somewhat the same history has followed in the Department of Defense, where through a program of education and discussion the opposition has gradually come to an understanding of what the proposal means and at the present time, as stated above, the pendulum has swung probably to dead center if not to the favorable side.

5. The Department of Justice which reflects consistently the FBI, and the ICIS and IIC which are in similar position, have depended almost entirely on the increased risk to internal security. However, it is our understanding that about a year ago Mr. Hoover informed the Department of State that he was aware of other factors besides the internal security aspects and that he, therefore, regarded

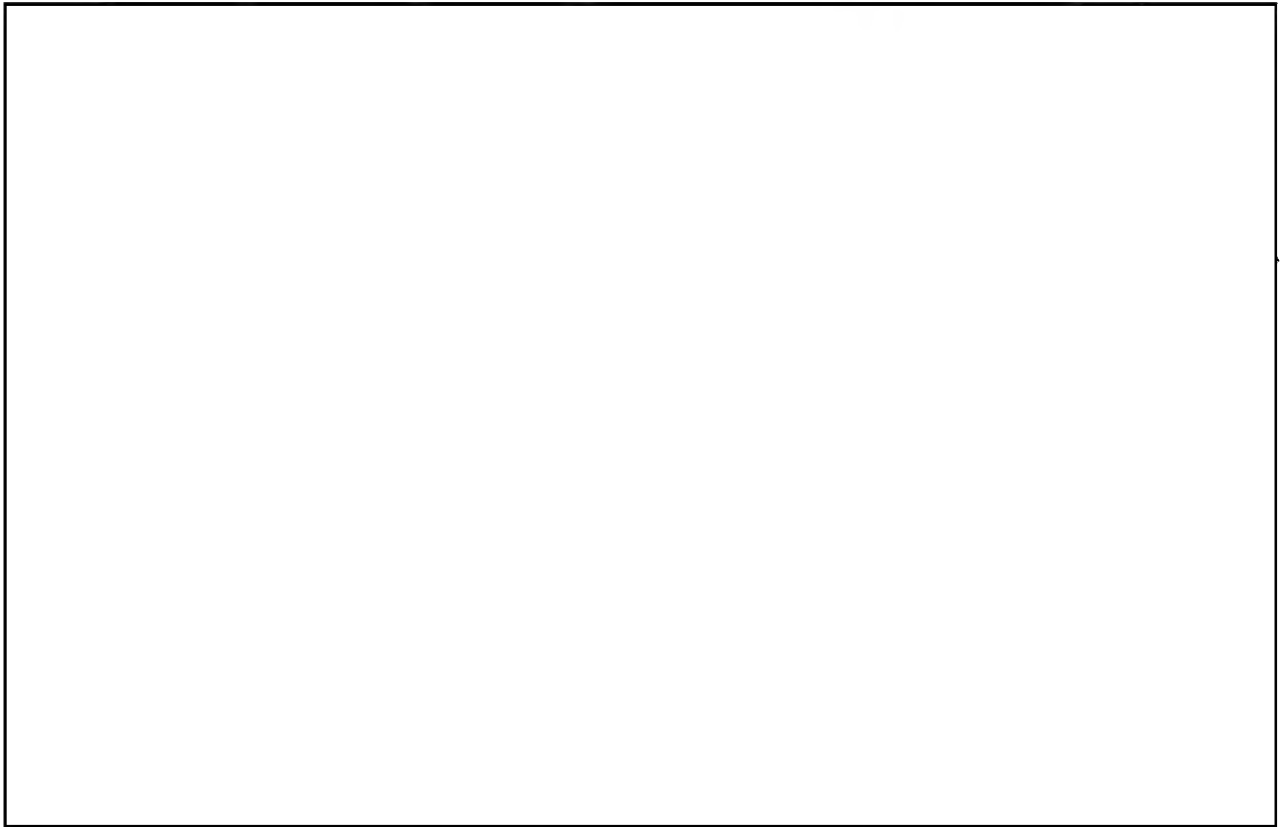
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the question as one of high policy. We believe his position to have been at that time that if it is decided that the new legislation is desirable as an over-all policy he would make no objection. It is quite clear, however, that he would not endorse or concur in it.

6. The issue is quite clearly, therefore, between the U. S. need for peacetime and emergency radio stations in diplomatic missions and the hazard to internal security presented by the presence in the U. S. of foreign diplomatic radio stations. The internal security aspects are outside of the jurisdiction of this Agency, but we believe it would be a sound assumption that the significant foreign diplomatic missions in Washington have clandestine radio capabilities which could and in all probability would be put into action in the event of a real emergency. Furthermore, operation of stations under the conditions provided would be too difficult or expensive for the majority of the countries involved and the increased hazard to internal security, such as it may be, is, therefore, limited to a very narrow portion of the foreign diplomatic representation.



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3. Our letter of 22 December 1956 (TAB B), setting forth
our position to the Bureau of the Budget, is also attached.

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LAWRENCE R. HOUSTON
General Counsel

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Att - TAB A
TAB B



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